

CABINET

12 February 2014

THE OVERVIEW & SCRUTINY COMMITTEE

17 February 2014

BUDGET AND COUNCIL TAX 2014/15

REPORT OF CHIEF FINANCE OFFICER

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RECENT REFERENCES:

CAB2541: Capital Programme Budget Considerations, 4 December 2013

CAB2523: General Fund Budget Consultation 2014/15, 28 October 2013

CAB2510: Capital Strategy, 11 September 2013

CAB2502: Financial Strategy 2014/15 to 2018/19, 11 September 2013

CAB2533 – Community Strategy 2010-2220 - 4 December 2013

CL90 – Adoption of Community Strategy and Portfolio Holder Plans – 8 January 2014

EXECUTIVE SUMMARY:

This report presents the proposed Capital Programme for the period 2013/14 to 2018/19 and the General Fund Budget proposals for 2014/15 for approval; including proposals for growth and savings and movements in reserves.

Members are asked to consider these proposals and also the level of Council Tax to be set for next year. The current tax is £126.27 at Band D for City Council services, and it is proposed that this is frozen at the same amount for 2014/15. The Government has stipulated that a local authority which freezes council tax in 2013/14

will receive an additional grant, equivalent to having set a 1 per cent increase on the 2013/14 level.

This report includes final growth and savings proposals identified as part of the work undertaken by officers, Corporate Management Team, and Cabinet and following consultation with The Overview and Scrutiny Committee, the business community and parish and town councils.

The Prudential Indicators covering affordability, prudence and sustainability of capital expenditure plans, which are required to be calculated by 31 March 2014, are reported elsewhere on this agenda (Treasury Management Strategy, CAB2554).

A Council Tax of £61.32 is recommended for the Winchester Town Account (also frozen at 2013/14 levels). Any increase in either the District or Town taxes would remove the Council's eligibility for the council tax freeze grant mentioned above.

RECOMMENDATIONS to Cabinet and Council:

1. That the Revised Estimate for 2013/14 as set out in paragraph 2 be noted.
2. That Members consider the level of General Fund Budget for 2014/15 and make recommendations for the following:

	<u>2014/15</u>
	<u>£</u>
General Fund Cost of Services	17,389,033
(Surplus) / Deficit on trading accounts	426,000
Other Operating Income & Expenditure (Local Precepts)	2,272,657
Financing & Investment Income & Expenditure	(2,336,458)
Adjustments between accounting basis & funding basis under regulations	(2,022,043)
Appropriations to(+)/ from(-) other earmarked financial reserves	497,168
Collection Fund deficit (+) / surplus (-)	(34,664)
Council Tax Support Grant to Parishes	150,000
Net Budget Requirement (incl. Local Precepts)	16,341,693
<u>Less</u> non-ring fenced Government Grants	(7,495,411)
Council Tax Requirement (incl. Local Precepts)	8,846,282
Comprising:	
Aggregate of Special Expenses (Winchester Town)	795,261
Winchester City Council – General Expenses	5,778,364
Council Tax Requirement for billing authority	6,573,625
aggregate of local precepts	2,272,657
Council Tax Requirement (incl. Local Precepts)	8,846,282

2. That Members approve the changes proposed to the budget as set out in Appendices D and E.
3. That the capital programme and financing for 2013/14 to 2018/19 as set out in Appendices F and G be approved.
4. That the policy as previously agreed by the Council on 14 July 1999 (min 186 refers) is confirmed to treat all expenses of the Council as General Expenses other than those specifically identified and itemised in the Winchester Town Account. In consequence of which the sum of £795,261 be treated as Special Expenses under Section 35 of the Local Government Finance Act 1992 in respect of the Winchester Town area, Appendix J.
5. That the Council Tax for the Special Expenses in the Winchester Town area at Band D for 2014/15 to be frozen at 2010/11 levels; £61.32.
6. That the balance on the Collection Fund calculated at 15 January 2014 of £34,664 for Council Tax, be approved.
7. That Members recommend the level of Council Tax at Band D for City Council services for 2014/15 to be frozen at 2010/11 levels; £126.27.
8. That Parish Council Taxes be noted as in Appendix K.
9. That the general inflation index in the Members' Allowances Scheme be NOT applied for 2014/15.
10. That the inflation index for 2014/15 for Councillor mileage rates be applied, so as to continue the link to HMRC mileage rates, should HMRC make any adjustments to those rates.

RECOMMENDATIONS to The Overview & Scrutiny Committee:

1. That The Overview & Scrutiny Committee considers any recommendations it wishes to make to the Council for its consideration of the Budget and Council Tax for 2014/15.

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THE OVERVIEW & SCRUTINY COMMITTEE

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BUDGET AND COUNCIL TAX 2014/15

REPORT OF CHIEF FINANCE OFFICER

1 Introduction

- 1.1 At its meeting in January the Council adopted the revised Community Strategy together with a series of Portfolio Holder Plans for 2014/15 (Reports CAB2533 and CL90 refer). The proposed budget supporting these plans is now presented for approval.
- 1.2 The corporate planning cycle and budget preparation for 2014/15 began with the agreement of the Financial Strategy and the Capital Strategy in September 2013, with consultation on the Revenue and Capital budgets during October 2013 through to January 2014.
- 1.3 The proposed budget growth and savings are summarised at Appendices D and E.
- 1.4 The Capital Programme is included at Appendix F and the proposed financing at Appendix G; the Revenue consequences are reflected in the budget projections at Appendix C.
- 1.5 A summary of the General Fund revenue budget is now presented for final consideration and Members are asked to consider the total level of General Fund Budget and the Council Tax for next year (2014/15).
- 1.6 The summary service budgets are presented for approval at Appendix L. These do not yet include the impact of the growth and savings proposals in this report for consideration. When the budget is finalised – by Council on 20 February – any final adjustments will be made and published in the Budget Book.
- 1.7 There has been consultation of budget options with The Overview & Scrutiny Committee, the Town Forum, parish council chairmen, and the business community.

2 Revised Estimate for 2013/14

- 2.1 A General Fund Revised Budget was approved by Cabinet in October (CAB2523). Monthly monitoring since that time has identified three further significant budget adjustments:

- a) Planning Fee Income – at October Cabinet (CAB2523) the planning fee income budget was increased by £127k to £802k in total for 2013/14, to reflect the higher than budgeted receipts in the year to date. Receipts to the end of December have already exceeded the revised budget of £802k so it is necessary to revise the budget further, by an additional £198k, to bring the revised estimate for 2013/14 to £1m.
 - b) Financing & Investment Income & Expenditure – Interest income is higher than budgeted; both because of higher balances and higher yields achieved. The Revised estimate is £300k.
 - c) Guildhall Trading Account – forecast income for catering and bars has been increased by £50k pa.
- 2.2 The Council continues to seek to achieve efficiencies and to underspend budgets wherever possible. It is expected that there will be a net budget underspend for 2013/14 and it is planned that this should be utilised to replenish the Major Investment Reserve.
- 3 2014/15 Budget
- 3.1 The proposed net General Fund budget for cost of services, after the inclusion of proposed growth and savings, totals £17.389m. Summaries of service budgets are shown in Appendix L (although these do not include the proposed growth and savings). Final figures, when approved, will be uploaded to the finance system and published in the Budget Book.
- 3.2 The proposed Budget includes the following assumptions:
- a) Recurring Expenditure net growth/ savings pressures of £0.614m (listed in Appendix D).
 - b) Recurring Income net increases/ reductions totalling £0.351m (listed in Appendix E).
 - c) One-off net growth pressures of £0.134m in 2014/15.
 - d) A contractual budget uplift of £0.300m, with an assumed uplift of 3% where the actual uplifts are not yet known.
 - e) That there is no increase in Council Tax in 2014/15.
 - f) The receipt of the new 2014/15 Council Tax Freeze grant of £71k of which £8k relates to the Winchester Town Account 'Special Expenses'.
 - g) The '1team' baseline budget savings target (previously Vacancy Management / Flexible Resource Management) is proposed to be held at £0.200m for 2014/15 onwards.

- h) A budget of £0.150m to cover redundancy costs has been provided in each year of the plan 2014/15 to 2018/19; to be funded from the Major Investment Reserve.

4 Capital Programme

- 4.1 The Capital Strategy (CAB2501) and the Financial Strategy (CAB2502) were considered by Cabinet in September 2013, a report on the General Fund Revenue Budget consultation (CAB2523) was issued in October and an updated capital programme, including revenue consequences was considered in December 2013 (CAB2541)
- 4.2 The Programme has been reviewed and updated in respect of both; projects in progress, and new requirements identified. Appendix F provides the proposed Capital Programme for the current and the next 5 years. Changes are identified in bold text. More detail on the Housing Revenue Account capital expenditure is included in the HRA Budget & Business Plan 2014/15 report (CAB2548 refers).
- 4.3 The associated financing is provided at Appendix G. This identifies significant unfunded spending i.e. Capital Financing Requirements (CFR), which will, lead to external borrowing. The CFR has been matched against specific assets. These are generally those assets for which the financial appraisal is expected to demonstrate value for money in terms that the financial benefits outweigh the financing costs (including the Minimum Revenue Provision).
- 4.4 Before any expenditure is committed, because of the substantial amounts of unfinanced expenditure being proposed, it will be essential that a full financial appraisal is undertaken on a whole life costing basis and these projects are monitored to manage the risks that the assumed financial benefits are not actually achieved, and if necessary take corrective action.
- 4.5 The Major Investment Reserve (MIR) is the principal reserve used for supporting the Budget; both Revenue and Capital. Although any deficit in the Revenue budget would have the first call on these funds, the financial strategy supports the use of this reserve to fund the Capital Programme.
- 4.6 The forecasts for the MIR are included in the Table at Appendix H. There are also various specific earmarked reserves to fund the relevant elements of the Capital Programme. Appendix H also provides projections for the Useable Capital Receipts Reserve, reflecting the proposed Capital Programme. The programme for asset sales remains under review although there is still limited opportunity for sales in the current economic climate.
- 4.7 Individual schemes within the Capital Programme require appropriate approval by Cabinet or under the scheme of delegation involving Portfolio Holders in accordance with Financial Procedure Rules before any funds are committed.

5 Potential Capital Projects

- 5.1 The Capital Strategy identifies that there will be further capital spending requirements which are not yet in the programme. These will need to be brought forward and prioritised in due course and financing identified, taking into account compliance with the Council's Treasury Management Strategy and Prudential Indicators and risk appetite.
- 5.2 These are as previously reported in the Capital Strategy report:
- The development of a replacement depot was completed as planned during Summer 2013 and the completion of this will now enable the existing Bar End Depot to be released for redevelopment. An assessment of potential options for this development is currently underway and will need to take account of any decisions made by the Council in due course on River Park Leisure Centre.
 - Consideration is also being given to the future of River Park Leisure Centre and this is focusing on future need and whether this can be met by either the refurbishment of the existing premises, or preferably the development of new premises and this will depend upon the cost assessment and feasibility work.
 - The City Offices behind the Guildhall which house a large number of the City Council's staff and other organisations such as Winchester Area Community Action are reaching the stage when substantial investment will be required to keep them fit for purpose. This may be better undertaken as part of a redevelopment proposal. Consideration is being given to this and a proposal may be brought forward in due course.
 - Considerable commercial interest has been expressed in the Station Approach area. The Council has provisionally agreed terms to purchase a key site in the Station Approach area from the County Council and the successful completion of this acquisition will unlock a major development opportunity.

6 Community Infrastructure Levy (CIL)

- 6.1 The Community Infrastructure Levy (CIL) is a new mechanism for raising funds for essential infrastructure from development.
- 6.2 The Community Infrastructure Levy (CIL) was adopted by the Council on the 8 January 2014 and is planned to be brought into effect from April 2014.
- 6.3 As 2014/15 will be the first year operating CIL it is anticipated that there will be a gradual build up of income receivable. Therefore an income budget has not yet been set and this forecast will be refined, along with expenditure proposals, to be included in future reports.

7 Non-ring fenced Government Grants

- 7.1 The local government finance settlement in England for 2014/15 is effectively the second year of a two year settlement announced in 2012. The provisional Formula Funding figures previously reported, (CAB2523, 23 October 2013) have not yet been confirmed; the provisional figures are £3.847m plus £0.173m Council Tax Freeze Funding (£4.020m in total).
- 7.2 The Formula Funding (excluding Council Tax Freeze Funding) has reduced by £0.631m from 2013/14 to 2014/15; however this is partially offset by the £0.499m additional New & Affordable Homes Bonus which has been taken to the baseline. Overall the Formula Funding has now reduced by £2.315m from 2010/11 to 2014/15, offset by the total New & Affordable Homes Bonus of £2.098m due to be received in 2014/15.

Business Rates Retention

- 7.3 On 1 April 2013 a new system of business rates retention began in England whereby local authorities retain a local share of up to half of the business rate growth in their area. This gives financial incentives to councils to grow their local economy but also has created more risk and uncertainty. For the Council, based on the current formula and levy rate, this equates to a retention of circa 20% of any business rates growth over the baseline.
- 7.4 Although the final outturn position for 2013/14 will not be known until after the year end, the Council's share of the latest forecast balance is reflected in the budget for 2014/15, which is when it will be distributed. This amounts to approximately £400k.
- 7.5 The Council's share of the forecast retention of Business Rates growth for 2014/15 is also included in the budget forecasts. This amounts to over £500k. It has been further assumed that this will produce underlying growth of £500k p.a. in future years.
- 7.6 Clearly there is a lot of uncertainty still in the forecasts for Business Rate retention, particularly in respect of exposure to business rate appeal risk. To provide a cushion against this risk it is proposed to set up a new earmarked reserve, and to plan to transfer £500k into this reserve in 2014/15, followed by a further £500k in 2015/16 making £1m in total. As with all reserves, this will be kept under review.

New & Affordable Homes Bonus

- 7.7 The baseline budget for 2014/15 is supported by the confirmed awards from 2011/12 (year 1) to 2014/15 (year 4) totalling £2.098m (£0.482m 2014/15). Each of these awards will be received annually for a six year period. A consultation paper, which ended on 19 September 2013, had proposed that a proportion of this funding (c35%) would be pooled and allocated to Local Enterprise Partnerships from 2015/16. However, it was announced in December that alternative sources of

funding would be used and therefore the future year's projections are based on a full allocation of New & Affordable Homes Bonus Funding.

Homelessness Prevention Funding

- 7.8 The annual grant has been confirmed at £0.226m for 2014/15. The spending plans are approved by Cabinet Housing annually; the latest update was reported in April 2013 (CAB2474).
- 7.9 Council Tax Freeze Funding for 2014/15 is forecast to be £71k (including £8k relating to the Winchester Town Account 'Special Expenses'), should taxes be frozen at 2013/14 levels.

8 Collection Fund

- 8.1 Regulations require the Council to approve the Collection Fund balance at 31 March, calculated at 15 January preceding.
- 8.2 For Council Tax a surplus of £260,000 is estimated, shared between the County Council (£187,021), the Police & Crime Commission (£27,255), the Fire & Rescue Authority (£11,060) and this Council (£34,664). This must be credited to the Council Tax for the District for 2014/15.
- 8.3 The budget can therefore be set including the £34,664 surplus.

9 Council Tax

- 9.1 The Government has confirmed that a local authority which freezes or reduces its Band D council tax in 2014/15 will receive an additional grant, for two years, equivalent to having set a one per cent increase over the 2013/14 level. The Parish Tax amounts are excluded from this grant, but Winchester Town is included.
- 9.2 The Government has also confirmed that the maximum Council Tax rise for 2014/15 before a local referendum is required is 2%.
- 9.3 At present the projections reflect a freeze in Council Tax for the District and the Winchester Town Area. Any increase in either the District or Town taxes would remove eligibility for the council tax freeze grant included in the projections, and would also be subject to capping regulations. The effect of increasing District tax levels are shown below:

Council Tax Options	Annual Increase		Additional Council Tax	One-off freeze funding
			£000	£000
£126.27	0.00%	£0.00	0	63
£126.90	0.50%	£0.63	28.7	0
£127.53	1.00%	£1.26	57.3	0
£128.16	1.50%	£1.89	86.0	0
£128.80	2.00%	£2.53	114.6	0

- 9.4 The current level of Tax for the District is £126.27.
- 9.5 In considering the level of District tax, regard has to be had to the Tax for the Town area in order to ensure that the overall increase does not exceed the capping regulations. Any increase in the Town tax levels would result in the whole of the Council Tax freeze funding being lost.
- 9.6 The current level of Tax for the Town is £61.32.
- 9.7 Appendix K shows the figures for Parish Council precepts, including a comparison with the previous year's precept. The Council has no control over the levels of parish precepts.
- 9.8 The Taxes for the County Council and the Fire and Rescue Authority will be decided on 20 and 19 February, respectively. At its meeting on 24 January, the Police and Crime Panel for Hampshire agreed the basis on which its budget and precept will be set. It should be noted that the County Council will set its tax on the same day as the City Council. An update will be given to Council on the recommendations being made.
- 10 Winchester Town Charge – Section 35
- 10.1 In accordance with Section 35 of the Local Government Finance Act 1992 the Council has taken the decision in previous years to treat all expenses of the Council as general expenses other than those identified as special expenses. The Council endorsed this policy on 21 February 2013.
- 10.2 Special expenses are costs incurred for the provision of an amenity or service that is primarily for the benefit of one locality. In the Winchester District these expenses are levied by the Council to cover the costs of local services in the Winchester Town area which elsewhere would be dealt with by parish councils.
- 10.3 The services currently covered by special expenses are listed in Appendix J.

- 10.4 It is recommended that the policy as previously agreed by the Council on 14 July 1999 (minute 186), and confirmed in the budget and council tax report for 2013/14 (CAB2454, 13 February 2013) is endorsed again. That is to treat all expenses of the Council as General Expenses other than those specifically identified and itemised in the Winchester Town Account. In consequence of which the sum of £795,261 will be treated as Special Expenses under Section 35 of the Local Government Finance Act, 1992 in respect of the Winchester Town area, summarised in Appendix J.
- 10.5 The Winchester Town Forum met on 22 January 2014 and recommended the Budget as set out in Appendix J and a Council Tax freeze for 2014/15.

11 Reserves

- 11.1 A summary of earmarked reserves is included at Appendix H. These have all been reviewed as part of the budget process and the levels are considered to be appropriate.
- 11.2 The Major Investment Reserve is a revenue funded reserve that supports the delivery of the Council's priorities; both capital and revenue. The Major Investment Reserve has historically been funded by one-off grants and revenue underspends; however with the substantial pressures from both the Government Spending Review and the Economic Environment as a whole, there are no indications that the continuation of this policy will provide sufficient future contributions to this reserve. Effective from 2013/14 annual contributions are made to the Major Investment Reserve of £100,000 per annum to provide funds to support the delivery of future projects.
- 11.3 The 2012/13 budget setting recognised the substantial depletion of both capital and revenue reserves; set against an ongoing requirement for capital and revenue expenditure (both one-off and recurring) to support the delivery of the Council's priorities. For 2013/14 onwards the following revenue contributions to Earmarked Reserves are supporting major capital and revenue projects/works.

<u>Revenue Contributions to Earmarked Reserves</u>			
Earmarked Reserve:	Revenue Contributions		
	2013/14 £000	2014/15 £000	2015/16 £000
Property Repairs & Renewals	300	300	300
Car Parks Property	180	180	180
IMT Strategy	135	135	135
Major Investment Reserve	100	100	100
TOTAL REVENUE CONTRIBUTIONS	715	715	715

12 General Fund Working Balance

- 12.1 The General Fund working balance stands at £2m. As has been reported previously, the level of this balance needs to be considered in the light of a number of factors concerning the Council's level of exposure to changes in income and expenditure.
- 12.2 Overall, the provision of £2m as a General Reserve is considered to be sufficient and the forward projections assume that this level is retained. This will be kept under review.

13 Members' Allowances

- 13.1 The Members' Allowances Scheme was last reviewed by the Independent Remuneration Panel in November 2011, and its recommendations were approved by Council at its meeting on 23 February 2012 (Reports CAB2277 and CL75 refer).
- 13.2 However, because of the current economic climate, no general inflation increase was made to allowances. The last occasion on which an inflation index in the Scheme was used was in 2009/10. This resulted in a 1.2% average reduction because the inflation index had a negative value in that year. In 2010/11 a policy decision was made to make a further 5% reduction. Since that time the Council has decided each year not to apply any inflation increases.
- 13.3 There have been no significant changes in responsibility this year, so a general review of the Scheme is not required.
- 13.4 Under the Scheme the Council has to decide each year whether the inflation index should be applied to all the allowances, travelling and subsistence rates within the Scheme. This decision has to be made before the start of the 2014/15 Municipal Year and needs to be considered as a part of the budget process.
- 13.1 The general inflation index is linked to the percentage pay increase for employees (linked to spinal column point 49) at 1 April. For 2013/14 the Council made the policy decision not to apply the index (CAB2425 refers) – which meant that the index increase of 1% was not applied to Members Allowances. For 2014/15, for budgeting purposes, the staff increase is estimated at a further 1%.
- 13.2 There is a separate index for Councillor mileage rates. This is linked to HMRC rates. However, in 2012/13 when the rate increased from 40p to 45p per mile the Council decided to freeze the rate at 40p for 2012/13. In February 2013 the Council decided to restore the link to the HMRC rates for 2013/14 (currently still 45p per mile). The HMRC rates so not change every year, but authorising the use of this index – which in law has to be decided before 31 March 2014, would allow the link to continue should there be any change in 2014/15.
- 13.3 The proposed Budget reflects no inflationary increase.

14 Looking Ahead

- 14.1 In considering its budget each year the Council is required to look further ahead than the year under detailed consideration to ensure that the impact and affordability of proposals is assessed for future years. The forward projections in Appendix C give an indication of the Council's position for the next five years.
- 14.2 Over recent years, the Council has achieved significant savings and efficiencies and continues to work hard to ensure that ongoing savings are delivered. It is assumed that this process will continue into the future and that the budget setting process for next year will identify further savings to balance the budget.
- 14.3 A summary Budget risk assessment, linked to the Corporate Risk Register, has been included at Appendix A.

15 Adequacy of Reserves and Robustness of Estimates

- 15.1 There are specific requirements under Section 25 of the Local Government Act, 2003, for the Chief Finance Officer to provide a positive assurance statement about the adequacy of proposed financial reserves and the robustness of estimates made for the purposes of the Budget calculation.
- 15.2 Reserves are detailed in this report and specific comment is made on the most significant balances. The General Fund working balance is discussed above and is considered to be adequate. The Major Investment Reserve is available to support specific projects, both revenue and capital, and a balance remains throughout the Strategy period. There is a forecast balance on the Usable Capital Receipts Reserve although future receipts have not been presumed/applied in the allocations to the General Fund Capital Programme.
- 15.3 When considering the robustness of estimates for the budget calculation for the current year savings and increased income proposals included in the budget must be considered to be achievable. Considerable savings have been achieved to date, and the recent experience has been that compensating savings have been found to cover unforeseen growth pressures. Given the complex nature of the organisation, the significant turnover, the cautious approach to budgeting and the sensitivity to income, these variations are to be expected. The purpose of reserves, in particular the General Fund working balance, is to provide a cushion for these variations.
- 15.4 Within the context of the overall budget and reserve levels, the Chief Finance Officer is able to provide positive assurance on the robustness of the estimates made for the purposes of the budget calculation for next year.

16 Prudential Code

- 16.1 Local authorities determine their own programmes for capital investment in fixed assets that are central to the delivery of quality public services. The Prudential Code has been developed as a professional code of practice to support local

- authorities in taking their decisions. They are required by Regulation to have regard to the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003.
- 16.2 The key objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability.
- 16.3 To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out indicators that must be used and factors that must be taken into account. These indicators are designed to support and record local decision making in a manner that is publicly accountable.
- 16.4 The indicators are purely for internal use by the Council and are not intended to be used as comparators with other authorities. In addition the indicators should not be taken individually; rather the benefit from monitoring will arise from following the movement in indicators over time and the year on year changes.
- 16.5 All of the indicators in respect of treasury management covering affordability, prudence, capital expenditure, borrowing and investment have been included in report CAB2544 elsewhere on this agenda.

OTHER CONSIDERATIONS:

17 COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

- 17.1 The Financial Strategy and the budget process should accord with the objectives of the Community Strategy and Portfolio Plans whilst proposals in the Strategy must be linked to resource allocation and availability. The Budget is vital to the achievement of the Community Strategy and the Portfolio Plans.

18 RESOURCE IMPLICATIONS:

- 18.1 These are contained in the body of the report.

19 RISK

- 19.1 The Budget for next year and the forward projections will be influenced significantly by various factors that cannot be quantified or assessed fully at this stage; some external and outside of the control of the Council; and others that relate to factors and aspirations within the Council's control. The sensitivity to key assumptions is explained within the report and a risk assessment is also provided at Appendix A.

BACKGROUND DOCUMENTS:

As detailed in the Appendices.

APPENDICES:

Appendix A	Summary Budget Risk Assessment
Appendix B	General Fund Budget & Council Tax Requirements
Appendix C	General Fund Revenue Projections 2013/14 to 2018/19
Appendix D	Proposed Expenditure Growth & Savings
Appendix E	Proposed Income Growth & Savings
Appendix F	Proposed Capital Programme 2013/14 to 2018/19
Appendix G	Capital Programme Financing
Appendix H	Summary of Reserves projections
Appendix J	Council Tax on Winchester Town Area
Appendix K	Parish Council Precepts and Council Taxes 2014/15
Appendix L	General Fund - Summary Service Budgets 2014/15

BUDGET RISKS

Corporate Risk Register Number	Risk area identified	Potential Impact of Risk	Mitigation / Portfolio Plans reference
CR5003	Asset Management	Asset Management Plan not fit for purpose leading to non housing property assets falling into disrepair resulting in unforeseen expenditure and inability to maximise income or capital receipts.	Maintain an up to date Asset Management Plan and ensure that financial aspects of the Council's fixed assets are appropriately incorporated into the financial planning process, taking account of the possible impact of the current economic situation on the Council's properties. A Property (Asset Management Plan) earmarked reserve operates to support this.
CR5004	Balanced Budget - Setting and achieving priorities within the context of recession and reduced resources for local government.	Council priorities and aspirations in Portfolio Plans not deliverable because of lack of funding/ reductions in income.	Consultation on Council priorities / budget and stronger links between Portfolio Plans and the Community Strategy. Maintain adequate General Fund Balance and budget strategy seeks to replenish reserves.
CR5006	Develop a Flexible, Responsive Workforce	Lack of skills and flexibility within the Council leading to the Transforming Winchester Programme not being implemented resulting in non delivery of portfolio plans and loss of opportunity.	Maintain adequate General Fund Working Balance. Keep organisational structure and capacity under review. Use of Major Projects team to support key projects/ priorities.
CR5012	Shared Services	<p>Weak governance or breakdown of consensus between authorities, leading to wasted resource time resulting in less efficient service delivery and loss of opportunity</p> <p>IMT - Budget provision for Core infrastructure data processing hardware is based on the IMT Asset Plan shared proposals. A breakdown of consensus between authorities would require significantly increased budget provision or a reduction in service levels.</p> <p>Environmental Services Contract - Weak partnership governance, including contract monitoring leading to an unforeseeable breach of contract resulting in an interruption in service provision.</p>	Appropriate Governance arrangements including scrutiny and monitoring.
CR5004	Government Funding	Major changes to the distribution of Government Funding could put significant unexpected pressure on future budgets. The business rate retention scheme introduced in April 2013 results in increased financial risk mostly arising from potential losses of income due to appeals and avoidance schemes.	Budget forecasts show the latest position, and income and expenditure is being monitored regularly during the year to identify any financial pressures at an early stage. An earmarked business rates retention reserve is to be set up in 2014/15 to provide a contingency to cushion against the uncertainty in the business rates retention forecasts.
CR5004	Council Tax	Continued pressure from Government to freeze Council Tax could cause a significant imbalance between future net Council expenditure and the funding it receives. Significant rises in future years would not be desirable and are likely to be restricted by capping regulations.	The Financial Strategy and Budget Setting papers show a five year forecast.
CR5007	Unfinanced Capital Expenditure	<p>Unfinanced projects which commit the Council to financing costs over a long period could put significant pressure on future budgets particularly because of the already significant savings requirements year-on-year.</p> <p>Unfinanced projects that aim to pay back their costs through annual income streams (e.g. rental income) increase the Council's risk from Void periods which could create significant budget shortfalls.</p>	<p>The Treasury Management Strategy, to be approved by Council in February will set the Prudential Indicators in the context of the Council's Balance Sheet and Revenue streams.</p> <p>The Capital Strategy and Asset Management Plan will support the management of the capital expenditure and associated investment risks.</p>

GENERAL FUND BUDGET SUMMARY

	2013/14 Original Estimate £	2013/14 Revised Estimate £	2014/15 Original Estimate £
General Fund Cost of Services	16,932,844	16,926,147	17,389,033
(Surplus) / Deficit on trading accounts	470,000	420,000	426,000
Other Operating Income & Expenditure (Local Precepts)	2,208,002	2,208,002	2,272,657
Financing & Investment Income & Expenditure	(2,036,000)	(2,269,000)	(2,336,458)
Adjustments between accounting basis & funding basis under regulations	(2,313,998)	(2,313,998)	(2,022,043)
Appropriations to(+)/ from(-) other earmarked financial reserves	(51,231)	268,317	497,168
Collection Fund deficit (+) / surplus (-)	0	0	(34,664)
Council Tax Support Grant to Parishes	154,802	154,802	150,000
Net Budget Requirement (including Local Precepts)	15,364,419	15,394,270	16,341,693
Less: Non-ringfenced Government Grants	(6,632,270)	(6,662,121)	(7,495,411)
Council Tax Requirement (including Local Precepts)	8,732,149	8,732,149	8,846,282
Aggregate of Special Expenses (Winchester Town)	792,379	792,379	795,261
Winchester City Council - General Expenses	5,731,768	5,731,768	5,778,364
Council Tax Requirement for billing authority	6,524,147	6,524,147	6,573,625

GENERAL FUND REVENUE MEDIUM TERM PROJECTIONS 2013/14 - 2018/19

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000
Cost of Services	17,403	17,551	17,681	17,834	18,786	19,414
One-off budgets & Stepped Growth / Savings	585	(6)	(529)	(25)		
Contractual commitments inflation (3% pa)		300	309	318	328	338
Employee Costs (Assuming pay inflation of 1% pa)		330	325	631	331	331
Expenditure proposals (Appendix D)	(235)	(614)	(566)	(538)	(569)	(575)
Income proposals (Appendix E)	(235)	(351)	(351)	(351)	(351)	(351)
One-off changes (Appendices D & E)	(122)	134	60	0	0	0
Cost of Services	16,926	17,389	17,468	18,360	18,988	19,650
Guildhall Trading Account	420	426	426	426	426	426
Other Operating Income & Expenditure						
Payment of Parish Precepts	2,208	2,273	2,273	2,273	2,273	2,273
Council Tax Support Grant to Parishes (Estimate)	155	150	150	150	150	150
Financing & Investment Income & Expenditure	(2,269)	(2,336)	(2,335)	(2,294)	(2,302)	(2,303)
Taxation & Non-Specific Grants						
Council Tax Income	(6,524)	(6,574)	(6,574)	(6,574)	(6,574)	(6,574)
Council Tax Surplus		(35)				
Parish Precepts	(2,208)	(2,273)	(2,273)	(2,273)	(2,273)	(2,273)
<u>Non-ring fenced Govt grants</u>						
Council Tax Support grant	(627)					
Formula grant	(3,847)	(3,846)	(3,494)	(3,145)	(2,830)	(2,547)
Business Rates Growth (after Levy)		(943)	(500)	(500)	(500)	(500)
New & Affordable Homes Bonus	(1,616)	(2,098)	(2,768)	(3,632)	(4,305)	(4,305)
<u>Council Tax Freeze grant</u>	(243)	(315)	(136)	(65)		
Local Services Support Grant	(229)	(226)	(190)	(190)	(190)	(190)
New Burdens Grants	(100)	(68)				
(Surplus) / deficit on Provision of Services	2,046	1,525	2,046	2,537	2,863	3,808
Adjustments between Accounting basis and Funding basis under Regulations						
Capital Charges	(2,314)	(2,286)	(2,286)	(2,286)	(2,286)	(2,286)
Transfers to or (from) Capital Adjustment Account		264	(47)	229	229	229
Other planned Movements in Reserves						
Transfers to or (from) Major Investment Reserve	14	(288)	(110)	(50)	(50)	(50)
Transfers to or (from) Earmarked Reserves	336	795	990	530	530	530
Transfers to or (from) Winchester Town Reserve	(82)	(9)	4	51	55	
FORECAST DEFICIT / (SURPLUS)	(0)	0	597	1,011	1,342	2,231

	Expenditure Increase / (Reduction)					
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000	£000	£000
<u>Active Communities</u>						
Health & Wellbeing - Meals on wheels budget: savings arising from services changes		(6)	(6)	(6)	(6)	(6)
New Homes Delivery Team - efficiency savings		(5)	(5)	(5)	(5)	(5)
Strategic Planning - reduced Local Development Framework consultancy budget		(17)	(17)	(17)	(17)	(17)
Housing Services General Fund - services to be funded through DCLG Homelessness grants		(27)	(27)	(27)	(27)	(27)
Increase charge to HRA for Choice Based Lettings (WCC stock only) to £125k per annum		(61)	(61)	(61)	(61)	(61)
External commission for the organisation of the Winchester Criterium and Family Cycle Day 2014	10	5				
<u>Prosperous Economy</u>						
Tourist Information Centre - efficiency savings		(5)	(5)	(5)	(5)	(5)
Economic Prosperity - reduced commissioning budget		(7)	(7)	(7)	(7)	(7)
Museums Cultural Trust	45	27	20	13	(23)	(29)
<u>High Quality Environment</u>						
Neighbourhood Wardens - Increase service share to HRA and reduce vehicle leasing costs		(13)	(13)	(13)	(13)	(13)
Environmental Health - employee savings (changed working arrangements)		(22)	(22)	(22)	(22)	(22)
Landscape - reduce maintenance budget for play areas now with Parishes		(5)	(5)	(5)	(5)	(5)
Reduce Planning (Environmental Improvements) Grants budget		(10)	(10)	(10)	(10)	(10)
Annual Energy savings at Chesil Street Car Park following LED lighting installation		(14)	(14)	(14)	(14)	(14)
Parking - employee savings (deletion of vacant admin post)		(10)	(10)	(10)	(10)	(10)
Neighbourhoods & Environment - reduced commissioning budget		(7)	(7)	(7)	(7)	(7)
Streetcare - delete excess supplies & services provision following transfer from SERCO		(100)	(100)	(100)	(100)	(100)
Park and Ride - additional bus provision at Christmas		16	16	16	16	16
<u>Efficient & Effective</u>						
<u>Employees</u>						
Apprenticeships - 2014/15 intake		120	60			
Apprenticeships Annual Scheme			60	90	90	90
Living Wage		20	20	20	20	20
Electoral Review Implementation costs (PER242)		25				
Local Government Boundary Commission (PER242)		19				
Revenues & Benefits - costs recovered	(130)	(130)	(130)	(130)	(130)	(130)
Revenues & Benefits - rent allowances & rebates		50	50	50	50	50
Delete General Contingency - provision to cover planned savings not achieved	(150)	(150)	(150)	(150)	(150)	(150)
Planning/Estates - recognise costs of Planning Viability Work	75					
Trade Waste Rebate	78					
Planning - temporary increase in staff resources	15	65				
Planning Resources (PER243) - CIL & S106 Officers		36	31	36	41	41
Communications - reduced print budget & selling services		(10)	(10)	(10)	(10)	(10)
Policy - reduced consultancy budget		(2)	(2)	(2)	(2)	(2)
Finance - reduced Internal & External Audit expenditure		(45)	(45)	(45)	(45)	(45)
IMT - reduced software licensing expenditure		(66)	(66)	(66)	(66)	(66)
Organisational Development - shared training provision with Eastleigh		(24)	(24)	(24)	(24)	(24)
Business Support - reduce budget for Local Access Points		(7)	(7)	(7)	(7)	(7)
Business Support - reduce print room budget		(4)	(4)	(4)	(4)	(4)
Business Support - deletion of complaints officer post		(4)	(4)	(4)	(4)	(4)
Democratic Services - reduce budget for member training / mayor's transport / emergency planning / professional consultancy		(10)	(10)	(10)	(10)	(10)
Legal Services - reduction in budget for technical books		(20)	(20)	(20)	(20)	(20)
Total		(57)	(396)	(523)	(555)	(586)
Comprising: Recurring						
General Fund (excluding Town)		(235)	(614)	(566)	(538)	(569)
Town Account						
Housing Revenue Account			(17)	(17)	(17)	(17)
		(235)	(630)	(583)	(555)	(586)
<u>One off</u>						
General Fund (excluding Town)		178	234	60	-	-
Town Account						
Housing Revenue Account						
		178	234	60	-	-

	Income (Increase) / Reduction					
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<u>Active Communities</u>						
RPLC Income Share	(25)	(25)	(25)	(25)	(25)	(25)
<u>Prosperous Economy</u>						
<u>High Quality Environment</u>						
Textiles Income (ring fenced for grants programme)		(40)	(40)	(40)	(40)	(40)
Additional Planning Income	(325)	(125)	(25)	(25)	(25)	(25)
Increase Pest Control charges from £36 to £51		(18)	(18)	(18)	(18)	(18)
Planning - charge for non fee earning enquiries to the pre-application advice service		(20)	(20)	(20)	(20)	(20)
Licensing - Introduce Street Trading Consent Regime across the whole District		(7)	(7)	(7)	(7)	(7)
<u>Car Parking</u>						
Additional Car Parking Income (volume based)	(185)	(221)	(221)	(221)	(221)	(221)
Increase parking bay waiver charge		(2)	(2)	(2)	(2)	(2)
Increase charge to Christmas Market Traders for use of Chesil Street		(1)	(1)	(1)	(1)	(1)
Increase charge for parking suspensions from £20 to £40		(7)	(7)	(7)	(7)	(7)
<u>Efficient & Effective</u>						
Council Tax Admin Support - reduction in funding		15	15	15	15	15
Total	(535)	(451)	(351)	(351)	(351)	(351)
Comprising: Recurring						
General Fund (excluding Town)	(235)	(351)	(351)	(351)	(351)	(351)
Town Account						
Housing Revenue Account						
	(235)	(351)	(351)	(351)	(351)	(351)
<u>One off</u>						
General Fund (excluding Town)	(300)	(100)	-	-	-	-
Town Account						
Housing Revenue Account						
	(300)	(100)	-	-	-	-

CAPITAL PROGRAMME 2013/14 TO 2018/19											
	2013/14			2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL	Comments	
	Original Estimate	Adjustments	Revised Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast		
	£000	£000	£000	£000	£000	£000	£000	£000	£000		
GENERAL FUND											
ACTIVE COMMUNITIES											
Affordable Housing / Regeneration	148	(148)	-	-	-	-	-	-	-	0	transferred to New Homes programme
Affordable Hsg funded by Developers' cont'ns	1,441	(1,441)	-	-	-	-	-	-	-	0	transferred to New Homes programme
Capital Grants - Chesil theatre	-	-	-	60	-	-	-	-	-	60	Budget carried forward
Changing Pavilions (Town A/C)	57	(57)	-	457	-	-	-	-	-	457	reflects PHD WT187, 10 April 2013
Disabled Facility Grants	500	268	768	500	500	500	500	500	3,268		
River Park Leisure Centre - Essential Repairs	950	(940)	10	4,190	-	-	-	-	4,200		Budget carried forward
Portable Event Space	20	(5)	15	5	-	-	-	-	20		
Total Active Communities	3,116	(2,323)	793	5,212	500	500	500	500	8,005		
PROSPEROUS ECONOMY											
Enterprise Centre managed workspace	1,000	(1,000)	-	6,000	-	-	-	-	6,000		Budget carried forward subject to feasibility report and financial appraisal
High Speed Broadband for Hampshire	46		46	46	46				139		Prosperous economy in Portfolio plans adopted Jan. 2014
Winchester Cathedral Roof	25		25	25	25	25	-	-	100		PHD550
Total Prosperous Economy	1,071	(1,000)	71	6,071	71	25	-	-	6,239		
HIGH QUALITY ENVIRONMENT											
Car Parks	225	(131)	94	326	92	180	180	180	1,052		To reflect CAB2545
Footway Lighting at North Walls (Town A/C)	-	24	24	-	-	-	-	-	24		
Great Minster Street	60		60	-	-	-	-	-	60		
Hockley Viaduct		41	41	-	-	-	-	-	41		project complete
Magdalen Hill Cemetery - Extension	135	(135)	-	135	-	-	-	-	135		requires planning permission
Market Lane Toilet Works	45		45	-	-	-	-	-	45		
Open Space & Recreation Facilities	45	126	171	330	-	-	-	-	501		WT187
River Itchen Maintenance	40	60	100	75	-	-	-	-	175		
Street Care Jetting Machine	-	31	31	-	-	-	-	-	31		PHD480
Wet Shelter			-	50	-	-	-	-	50		Dependent on a viable scheme
Wickham Toilet Works	50		50	-	-	-	-	-	50		
Total High Quality Environment	600	16	616	916	92	180	180	180	2,164		

CAPITAL PROGRAMME 2013/14 TO 2018/19										
	2013/14			2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL	Comments
	Original Estimate	Adjustments	Revised Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
EFFICIENT & EFFECTIVE										
ASSET MANAGEMENT										
Abbey Gardens - environmental improvements	75	-	75	150	-				225	
Abbey House	77	(18)	59	-	-				59	virement of budget to revenue (PHD528)
Abbey Mill	737	92	829	166	-				995	PHD493 budget carry forward
Abbey Mill - Tenants costs	500	(500)	-	-					0	tenants to bear own fit out costs
Abbey Mill - hydro	150	(100)	50	100					150	budget carried forward
Archaeological Storage Facility	600	(500)	100	500	-				600	budget carried forward
Asset Management Plans	-	64	64	-	30	-			94	
Avalon House	1,500	(1,000)	500	741	-				1,241	CAB2527 (exempt)
Avalon House - tenant fit out				559					559	CAB2527 (exempt)
2-3 Bridge St			-	100	-				100	
CarFax	-	262	262	2,361	-	-			2,623	CAB2501 (exempt)
City Offices & Annexe Works	332	(262)	70	332	170	-			572	budget carry forward
Depot	1,108	(71)	1,037	-	-				1,037	project complete
Guildhall staff office to changing rooms		5	5	-	-				5	project complete
Guildhall Toilets	67		67	-	-				67	
Old Chesil Rectory		36	36	-	-				36	
Property Acquisition & Development	4,500	(4,500)	-	4,000	-				4,000	2013/14 & £500k from 2014/15 utilised for Silver Hill Acquisition
Silver Hill Acquisitions		5,000	5,000						5,000	CAB2526 (exempt)
Silver Hill associated development	3,000	(3,000)	-	7,000	-				7,000	budget carry forward
West Wing Lift	20	1	21	-	-				21	project complete
Winchester Town Access Plan	150	(150)	-	-	150				150	budget carried forward
Total Asset Management Plan	12,816	(4,641)	8,175	16,009	350	-	-	-	24,534	
IMT ASSET MANAGEMENT										
E-govt		15	15	-	-				15	
Equipment	60	(1)	59	43	78	60	20	20	280	
Electronic Document System & SharePoint	-	87	87	11	-				98	CAB2304
Hardware	55	51	106	5	-				111	
Infrastructure	109	(109)	-	109	-	7	45	67	228	budget carry forward
Multi Functional printing devices		76	76						76	PHD463 exempt
Software	130	(45)	85	226	-			165	476	
Telephony	-	30	30	-	-				30	project complete
Total IMT Asset Management	354	104	458	394	78	67	65	252	1,314	

CAPITAL PROGRAMME 2013/14 TO 2018/19										
	2013/14			2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL	Comments
	Original Estimate	Adjustments	Revised Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Total General Fund	17,957	(7,844)	10,113	28,602	1,091	772	745	932	42,256	
HOUSING REVENUE ACCOUNT										
ACTIVE COMMUNITIES										
Major repairs	6,530	(370)	6,160	7,474	6,791	6,944	6,015	6,194	39,578	
Stock Condition Survey							1,093	1,123	2,216	
New Build	4,294	(838)	3,456	7,310	12,883	5,736	5,308	5,400	40,093	
Improvements and Loft Conversions	650	(400)	250	1,414	681	698	719	740	4,502	
Disabled Adaptations	700		700	715	733	752	774	797	4,471	
Other Capital Spends	100	34	134	139	106	108	111	114	712	
Total Housing Revenue Account	12,274	(1,574)	10,700	17,052	21,194	14,238	14,020	14,368	91,572	
Grand Total	30,231	(9,418)	20,813	45,654	22,285	15,010	14,765	15,300	133,828	

CAPITAL PROGRAMME FINANCING							
	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>Total</u>
General Fund	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Externally Funded							
Government Grants	651	390	445	445	445	445	2,821
External contributions							
King George V and Skate park grant		435					435
Hockley Viaduct	25						25
Open Space Fund	171	325					496
Total Externally Funded	847	1,150	445	445	445	445	3,777
Earmarked Reserves							
Car park property	94	326	92	180	180	180	1,052
ICT Strategy	89	152	78	67	65	87	538
Property Repairs and Renewals	369	562	350	0	0	0	1,281
Winchester Town	24	77					101
Total Earmarked Reserves	576	1,117	520	247	245	267	2,972
Capital Receipts (excluding Housing)	555	1,945	55	55	55	55	2,720
Capital Financing Requirement	7,466	21,007					28,473
Revenue Contribution to Capital	31	559					590
Major Investment Reserve	638	2,824	71	25	0	165	3,723
Total General Fund (excluding Housing)	10,113	28,602	1,091	772	745	932	42,256
Housing							
Revenue Contribution to Capital	3,186	6,617	6,155	6,540	7,398	7,558	37,454
Borrowing			6,500				6,500
Capital Grants and Contributions	170	4,292	2,308	1,284	0	0	8,054
Capital Receipts	1,238	225	171	172	173	174	2,153
Housing Revenue Account	6,106	5,918	6,060	6,242	6,449	6,636	37,411
Total Housing Revenue Account	10,700	17,052	21,194	14,238	14,020	14,368	91,572
Total Financing of Capital Programme	20,813	45,654	22,285	15,010	14,765	15,300	133,828

RESERVES		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	Bal. @ 01/04/2013	FORECAST Closing Bal.	FORECAST Closing Bal.	FORECAST Closing Bal.	FORECAST Closing Bal.	FORECAST Closing Bal.	FORECAST Closing Bal.
	£000	£000	£000	£000	£000	£000	£000
General Fund Earmarked Reserves							
Building Control	(75)	(75)	(75)	(75)	(75)	(75)	(75)
Car Parks Property	(517)	(550)	(390)	(390)	(390)	(390)	(390)
Community Grants	(11)	(11)	(11)	(11)	(11)	(11)	(11)
Homelessness Gold Standard	(430)						
Homelessness Prevention	(333)	(247)	(218)	(218)	(218)	(218)	(218)
IMT Strategy	(75)	(121)	(64)	(81)	(149)	(264)	(379)
Insurance	(41)	(41)	(41)	(41)	(41)	(41)	(41)
Local Authority Business Growth Incentive	(40)						
Land Charges - New Burdens	(34)	(34)	(34)	(34)	(34)	(34)	(34)
Local Development Framework (LDF)	(173)	(158)	(2)	(2)	(2)	(2)	(2)
Local Elections		(15)	(30)	(45)	(60)	(75)	(90)
Museums Acquisitions	(12)	(12)	(12)	(12)	(12)	(12)	(12)
Museums Publications	(20)	(20)	(20)	(20)	(20)	(20)	(20)
Business Rates Retention			(500)	(1,000)	(1,000)	(1,000)	(1,000)
Property Repairs (Asset Management Plan)	(763)	(444)	(82)	(82)	(282)	(482)	(682)
Municipal Mutual Insurance	(157)	(157)	(157)	(157)	(157)	(157)	(157)
Planning Deposits (Interest)	(210)	(210)	(210)	(210)	(210)	(210)	(210)
Major Investment Reserve	(5,429)	(4,746)	(1,692)	(1,511)	(1,436)	(1,386)	(1,171)
Winchester Town Reserve	(295)	(189)	(103)	(107)	(55)		
Total General Fund Earmarked Reserves	(8,616)	(7,031)	(3,642)	(3,997)	(4,153)	(4,378)	(4,493)
General Fund Balance	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Usable Capital Receipts Reserve	(2,438)	(2,082)	(3,093)	(3,630)	(4,016)	(4,421)	(4,845)

WINCHESTER TOWN ACCOUNT - Revenue Projections 2013/14 - 2018/19

	2013/14 Original	2013/14 Forecast	2014/2015 Forecast	2015/2016 Forecast	2016/2017 Forecast	2017/2018 Forecast	2018/2019 Forecast
Expenditure	£	£	£	£	£	£	£
Recreation Grounds & Open Spaces	573,547	611,676	592,551	600,748	609,651	618,380	627,831
Maintenance Work to Council Owned Bridges	5,687	14,082	5,500	5,500	5,500	5,500	5,500
Cemeteries	34,708	22,499	32,039	33,678	35,366	37,105	38,897
Community Wardens (Contribution)	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Grants	62,000	92,000	60,000	60,000	60,000	60,000	60,000
Support Costs for Grant Scheme	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Footway Lighting	28,997	29,018	29,371	28,964	29,377	29,810	30,265
Bus Shelter Cleaning / Maintenance / New Provision	13,600	13,600	7,600	7,600	7,600	7,600	7,600
Town Forum Support	4,798	4,798	4,798	4,798	4,798	4,798	4,798
Christmas Lights	15,189	15,360	15,189	15,189	15,189	15,189	15,189
Allotments	(1,646)	(1,299)	(1,646)	(1,646)	(1,646)	(1,646)	(1,646)
Public Conveniences (Contribution)	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Theatre Royal (Contribution)	20,000	20,000	20,000	20,000	20,000	20,000	20,000
20mph Speed Limit	0	4,156	0	0	0	0	0
Neighbourhood Plans	12,000	18,598	2,000	2,000	2,000	2,000	2,000
Grit Bins	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Night Bus Contribution	10,000	10,000	10,390	10,702	11,023	11,353	11,694
Night Bus Contribution - GROWTH PROPOSAL			3,000	3,000	3,000	3,000	3,000
St Maurice's Covert	10,000	10,000	10,000	10,000	10,000	0	0
Historic Environment Projects Officer	22,500	22,500	22,500				
Community Speed Watch	500	500	500	500	500	500	500
Total NET Expenditure	910,880	986,488	912,792	900,034	911,358	912,590	924,628
Funding							
Proceeds of Council Tax	(792,379)	(792,379)	(795,261)	(795,261)	(795,261)	(795,261)	(795,261)
Council Tax Support Funding	(80,447)	(80,447)	(68,943)	(62,049)	(55,844)	(50,260)	(45,234)
Council Tax Freeze Funding 2011/12 (2.5%)	(21,704)	(21,704)	(21,704)	(21,704)			
Council Tax Freeze Funding 2013/14 (1.0%)	(7,924)	(7,924)	(7,924)	(7,924)	(7,924)	(7,924)	(7,924)
Council Tax Freeze Funding 2014/15 (1.0%)			(7,953)	(7,953)			
Council Tax Freeze Funding 2015/16 (1.0%)				(7,953)			
Interest on Balances	(1,612)	(1,612)	(1,561)	(1,026)	(1,065)	(552)	34
Total Funding	(904,066)	(904,066)	(903,345)	(903,869)	(860,093)	(853,996)	(848,384)
Reserves							
(Surplus added to Reserves) / Deficit taken from Reserves	6,814	82,422	9,447	(3,835)	51,265	58,594	76,244
Capital Expenditure funded by Town Reserve	44,000	56,799	44,000				
Opening Fund Balance (at 1st April)	(161,214)	(295,294)	(156,073)	(102,626)	(106,462)	(55,196)	3,398
Closing Fund Balance (carried forward)	(110,399)	(156,073)	(102,626)	(106,462)	(55,196)	3,398	79,641
Closing Reserves forecast as % of net expenditure (Target = 10%)	12%	16%	11%	12%	6%	0%	-9%
TAX							
Tax at Band D	£61.32	£61.32	£61.32	£61.32	£61.32	£61.32	£61.32
Increase over previous year (£)	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00

DISTRICT, TOWN & PARISH COUNCIL PRECEPTS

	2013/14				2014/15				Council Tax Increase
	Tax Base	CTS Grant £	Precepts £	Council Tax Band D (£)	Tax Base	CTS Grant £	Precepts £	Council Tax Band D (£)	
BILLING AUTHORITY									
WINCHESTER	45,392.95	0	5,731,768	126.27	45,761.97	0.00	5,778,364	126.27	0%
SPECIAL AREAS (BILLING AUTHORITY)									
WINCHESTER TOWN	12,921.81	80,447	792,379	61.32	12,969.03	68,943	795,261	61.32	0%
PARISHES									
BADGER FARM	961.62	1,011	27,964	29.08	972.59	860	31,640	32.53	10.6%
BEAUWORTH	58.03	-	-	0.00	57.80	-	-	0.00	0.0%
BIGHTON	166.32	121	3,729	22.42	162.70	139	3,711	22.81	1.7%
BISHOPS SUTTON	204.99	242	4,000	19.51	204.31	211	4,389	21.48	9.2%
BISHOPS WALTHAM	2,515.05	29,801	284,825	113.25	2,530.88	29,446	284,845	112.55	(0.6%)
BOARHUNT	241.68	627	13,373	55.33	247.57	501	13,999	56.55	2.2%
BRAMDEAN & HINTON AMPNER	205.65	374	6,000	29.18	207.17	430	6,570	31.72	8.0%
CHERITON	293.11	492	8,508	29.03	308.20	482	8,618	27.96	(3.8%)
CHILCOMB	59.52	-	-	0.00	58.63	-	-	0.00	0.0%
COLDEN COMMON	1,494.23	9,417	130,301	87.20	1,505.58	9,139	131,252	87.18	(0.0%)
COMPTON & SHAWFORD	831.33	685	26,485	31.86	836.30	663	26,507	31.70	(0.5%)
CORHAMPTON & MEONSTOKE	378.24	585	9,415	24.89	376.45	611	10,189	27.07	8.1%
CRAWLEY	214.74	436	12,564	58.51	219.85	411	12,839	58.40	(0.2%)
CURDRIDGE	612.66	1,213	23,787	38.83	618.22	1,099	22,106	35.76	(8.6%)
DENMEAD	2,618.03	26,639	315,430	120.48	2,707.52	26,000	316,499	116.90	(3.1%)
DROXFORD	319.43	618	12,000	37.57	324.39	675	12,240	37.73	0.4%
DURLEY	451.00	1,155	16,595	36.80	450.92	1,118	16,882	37.44	1.7%
EXTON	130.35	6	669	5.13	130.60	15	660	5.06	(1.4%)
HAMBLEDON	506.11	890	13,110	25.90	506.91	900	13,100	25.84	(0.2%)
HEADBOURNE WORTHY	230.38	130	4,307	18.69	237.55	67	4,437	18.68	(0.1%)
HURSLEY	429.87	703	21,797	50.71	434.85	692	21,808	50.15	(1.1%)
ITCHEN STOKE & OVINGTON	126.11	68	2,432	19.29	122.84	50	2,750	22.39	13.8%
ITCHEN VALLEY	707.48	570	14,766	20.87	714.56	598	17,102	23.93	12.8%
KILMESTON	131.47	172	3,600	27.38	133.34	157	3,443	25.82	(6.0%)
KINGS WORTHY	1,759.48	8,701	105,299	59.85	1,769.86	8,109	107,900	60.97	1.8%
LITTLETON & HARESTOCK	1,462.23	2,622	63,696	43.56	1,460.05	2,639	72,951	49.96	12.8%
MICHELDEVER	616.10	2,329	42,671	69.26	639.66	2,274	42,726	66.79	(3.7%)
NEW ALRESFORD	2,176.09	17,485	239,015	109.84	2,171.44	17,583	251,417	115.78	5.1%
NORTHINGTON	122.55	110	3,590	29.29	127.75	102	3,798	29.73	1.5%
OLD ALRESFORD	251.81	516	10,324	41.00	249.50	556	11,382	45.62	10.1%
OLIVERS BATTERY	741.27	586	24,714	33.34	742.34	579	24,721	33.30	(0.1%)
OTTERBOURNE	695.60	952	30,589	43.98	698.06	837	32,302	46.27	4.9%
OWSLEBURY	376.69	1,003	21,997	58.40	374.57	928	21,997	58.73	0.6%
SHEDFIELD	1,580.38	4,433	71,193	45.05	1,595.73	4,034	71,592	44.87	(0.4%)
SOBERTON	795.75	1,051	26,449	33.24	798.68	1,008	26,549	33.24	0.0%
SOUTH WONSTON	1,174.42	1,429	77,233	65.76	1,187.91	1,362	83,150	70.00	6.1%
SOUTHWICK & WIDLEY	258.15	1,528	13,702	53.08	262.23	1,330	13,870	52.89	(0.4%)
SPARSHOLT	291.72	956	12,834	43.99	298.42	749	13,751	46.08	4.5%
SWANMORE	1,253.64	9,600	155,400	123.96	1,260.92	9,191	159,934	126.84	2.3%
TICHBORNE	82.69	215	3,285	39.73	114.43	205	4,546	39.73	0.0%
TWYFORD	696.14	2,806	55,444	79.65	712.49	3,051	55,199	77.47	(2.8%)
UPHAM	323.76	500	17,000	52.51	314.00	543	17,457	55.60	5.6%
WARNFORD	105.21	76	874	8.30	108.32	69	881	8.13	(2.1%)
WEST MEON	364.49	1,673	20,287	55.66	370.56	1,545	20,986	56.63	1.7%
WHITELEY	1,256.38	4,582	106,702	84.93	1,262.43	3,719	112,411	89.04	4.6%*
WICKHAM	1,632.19	13,015	117,027	71.70	1,632.92	12,663	123,775	75.80	5.4%
WONSTON	567.00	2,681	33,019	58.23	570.94	2,815	33,777	59.16	1.6%
TOTAL/AVERAGE	45,392.95	235,249	3,000,381	66.10	45,761.97	219,098	3,067,918	67.04	(1.4%)
PARISH TOTAL	32,471.14	154,802	2,208,002	68.00	32,792.94	150,155	2,272,657	69.30	
WINCHESTER TOWN	12,921.81	80,447	792,379	61.32	12,969.03	68,943	795,261	61.32	
TOTAL	45,392.95	235,249	3,000,381	66.10	45,761.97	219,098	3,067,918	67.04	

	Subjective	Original Estimate*
		2014/15
		£000
Expenditure	Employees	14,944
	Premises	4,197
	Transport	597
	Supplies & Services	5,249
	Third Party Payments	6,080
	Transfer Payments	28,671
	Depreciation & Impairment Losses	2,286
	Support Services	(1,995)
Expenditure Total		60,029
Income	External income	(43,608)
	Internal Charges	(87)
Income Total		(43,694)
Grand Total		16,335

* To note these figures represent the baseline position before any growth or savings

			2014/15
Outcome		Subjective	£000
A - Efficient and Effective	Expenditure	Employees	7,919
		Premises	1,556
		Transport	283
		Supplies & Services	2,602
		Third Party Payments	753
		Transfer payments	28,671
		Depreciation & Impairment Losses	480
		Support Services	(4,597)
		Expenditure Total	37,666
	Income	External income	(32,892)
		Income Total	(32,892)
A - Efficient and Effective Total			4,774
B - High Quality Environment	Expenditure	Employees	3,943
		Premises	1,906
		Transport	121
		Supplies & Services	1,227
		Third Party Payments	4,099
		Depreciation & Impairment Losses	891
		Support Services	1,707
		Expenditure Total	13,894
	Income	External income	(8,620)
		Income Total	(8,620)
B - High Quality Environment Total			5,274
C - Prosperous Economy	Expenditure	Employees	1,625
		Premises	421
		Transport	71
		Supplies & Services	1,184
		Third Party Payments	92
		Depreciation & Impairment Losses	254
		Support Services	496
		Expenditure Total	4,143
	Income	External income	(1,906)
		Internal Charges	(87)
		Income Total	(1,993)
C - Prosperous Economy Total			2,150
D - Active Communities	Expenditure	Employees	1,457
		Premises	314
		Transport	122
		Supplies & Services	235
		Third Party Payments	1,137
		Depreciation & Impairment Losses	660
		Support Services	400
		Expenditure Total	4,326
	Income	External income	(189)
		Income Total	(189)
D - Active Communities Total			4,137
Grand Total			16,335

Team		Subjective	2014/15 £000
Access & Infrastructure	Expenditure	Employees	1,242
		Premises	1,254
		Transport	(184)
		Supplies & Services	819
		Third Party Payments	1,197
		Depreciation & Impairment Losses	331
		Support Services	72
		Expenditure Total	4,730
	Income	External Income	(5,875)
		Income Total	(5,875)
Access & Infrastructure Total			(1,145)
AD Active Communities	Expenditure	Employees	4
		Premises	1
		Transport	8
		Supplies & Services	18
		Third Party Payments	798
		Support Services	(149)
		Expenditure Total	679
AD Active Communities Total			679
AD Economic Prosperity	Expenditure	Employees	75
		Transport	5
		Supplies & Services	30
		Third Party Payments	50
		Support Services	(136)
AD Economic Prosperity Total			24
AD Environment	Expenditure	Employees	84
		Premises	
		Transport	4
		Supplies & Services	4
		Third Party Payments	66
		Support Services	(128)
		Expenditure Total	30
AD Environment Total			30
Building Control	Expenditure	Employees	425
		Premises	
		Transport	38
		Supplies & Services	113
		Support Services	176
	Income	External Income	(554)
		Income Total	(554)
Building Control Total			198
CMT	Expenditure	Employees	470
		Premises	4
		Transport	19
		Supplies & Services	35
		Support Services	(412)
CMT Total			117
Communications	Expenditure	Employees	264
		Transport	6
		Supplies & Services	82
		Third Party Payments	
		Support Services	(339)
	Income	External Income	(2)
		Income Total	(2)
Communications Total			12
Community Safety	Expenditure	Employees	226
		Transport	24
		Supplies & Services	5
		Support Services	77
Community Safety Total			332

Team		Subjective	2014/15 £000
Corporate	Expenditure	Employees	159
		Premises	39
		Supplies & Services	30
		Third Party Payments	161
		Support Services	734
	Expenditure Total		1,173
Corporate Total			1,173
Customer Services	Expenditure	Employees	948
		Premises	1
		Transport	4
		Supplies & Services	112
		Third Party Payments	10
	Depreciation & Impairment Losses	4	
	Support Services	(606)	
	Expenditure Total		473
	Income	External Income	(33)
	Income Total		(33)
Customer Services Total			440
Democratic Services	Expenditure	Employees	472
		Premises	53
		Transport	50
		Supplies & Services	570
		Third Party Payments	24
	Depreciation & Impairment Losses	32	
	Support Services	852	
	Expenditure Total		2,053
	Income	External Income	(6)
	Income Total		(6)
Democratic Services Total			2,048
Economy & Arts	Expenditure	Employees	172
		Premises	5
		Transport	11
		Supplies & Services	116
		Third Party Payments	68
	Support Services	115	
	Expenditure Total		487
	Income	External Income	(74)
	Income Total		(74)
Economy & Arts Total			413
Environment Protection	Expenditure	Employees	384
		Premises	8
		Transport	61
		Supplies & Services	95
		Depreciation & Impairment Losses	8
	Support Services	(54)	
	Expenditure Total		501
	Income	External Income	(95)
	Income Total		(95)
Environment Protection Total			406
Estates	Expenditure	Employees	1,108
		Premises	1,821
		Transport	43
		Supplies & Services	719
		Third Party Payments	1
	Depreciation & Impairment Losses	458	
	Support Services	(1,195)	
	Expenditure Total		2,954
	Income	External Income	(4,225)
		Internal Income	(87)
	Income Total		(4,261)
Estates Total			(1,307)
Finance	Expenditure	Employees	1,464
		Premises	5
		Transport	27
		Supplies & Services	369
		Third Party Payments	319
	Support Services	(849)	
	Expenditure Total		1,335
	Income	External Income	(27)
	Income Total		(27)
Finance Total			1,308

Team		Subjective	2014/15 £000
Health and Community Wellbeing	Expenditure	Employees	106
		Premises	1
		Transport	5
		Supplies & Services	3
		Third Party Payments	21
		Support Services	55
	Expenditure Total		191
Health and Community Wellbeing Total			191
Health Protection	Expenditure	Employees	281
		Premises	1
		Transport	29
		Supplies & Services	9
		Support Services	73
		Expenditure Total	
	Income	External Income	(7)
Income Total		(7)	
Health Protection Total			386
Historic Environment	Expenditure	Employees	190
		Transport	12
		Supplies & Services	11
		Support Services	(143)
	Expenditure Total		70
Income	External Income	(8)	
Income Total		(8)	
Historic Environment Total			62
Housing Services General Fund	Expenditure	Employees	610
		Transport	54
		Supplies & Services	8
		Third Party Payments	134
	Support Services	211	
Expenditure Total		1,018	
Income	External Income	(100)	
Income Total		(100)	
Housing Services General Fund Total			918
IMT	Expenditure	Employees	451
		Premises	9
		Transport	17
		Supplies & Services	886
		Third Party Payments	75
		Depreciation & Impairment Losses	186
	Support Services	(1,598)	
Expenditure Total		27	
Income	External Income	(37)	
Income Total		(37)	
IMT Total			(10)
Landscape & Open Spaces	Expenditure	Employees	348
		Premises	756
		Transport	48
		Supplies & Services	58
		Third Party Payments	86
		Depreciation & Impairment Losses	207
	Support Services	(45)	
Expenditure Total		1,458	
Income	External Income	(220)	
Income Total		(220)	
Landscape & Open Spaces Total			1,238
Legal	Expenditure	Employees	594
		Premises	65
		Transport	36
		Supplies & Services	140
		Third Party Payments	7
		Depreciation & Impairment Losses	13
	Support Services	(145)	
Expenditure Total		711	
Income	External Income	(683)	
Income Total		(683)	
Legal Total			28

Team		Subjective	2014/15 £000		
Museums	Expenditure	Employees	313		
		Premises	37		
		Transport	13		
		Supplies & Services	75		
		Third Party Payments	23		
		Depreciation & Impairment Losses	47		
		Support Services	161		
	Expenditure Total		669		
	Income	External Income	(87)		
	Income Total		(87)		
Museums Total			582		
New Homes Delivery Team	Expenditure	Employees	369		
		Transport	25		
		Supplies & Services	8		
		Third Party Payments	7		
		Support Services	(124)		
			Expenditure Total		285
			Income	External Income	(31)
	Income Total		(31)		
New Homes Delivery Team Total			255		
Organisation Development	Expenditure	Employees	599		
		Transport	15		
		Supplies & Services	15		
		Support Services	(625)		
			Expenditure Total		4
			Income	External Income	(5)
			Income Total		(5)
Organisational Development Total			(1)		
Planning Management	Expenditure	Employees	1,207		
		Premises	11		
		Transport	128		
		Supplies & Services	170		
		Depreciation & Impairment Losses	7		
		Support Services	1,373		
			Expenditure Total		2,895
	Income	External Income	(1,345)		
	Income Total		(1,345)		
Planning Management Total			1,551		
Policy	Expenditure	Employees	191		
		Transport	8		
		Supplies & Services	7		
		Third Party Payments			
		Support Services	(162)		
			Expenditure Total		44
Policy Total			44		
Project Office etc	Expenditure	Employees	202		
		Transport	5		
		Supplies & Services			
		Support Services	16		
			Expenditure Total		223
		Project Office Total			223
Revenues	Expenditure	Employees	1,342		
		Transport	45		
		Supplies & Services	240		
		Third Party Payments			
		af - Transfer payments	28,671		
		Support Services	605		
			Expenditure Total		30,903
	Income	External Income	(29,594)		
	Income Total		(29,594)		
Revenues Total			1,309		
Sport & Physical Activity	Expenditure	Employees	145		
		Premises	54		
		Transport	10		
		Supplies & Services	9		
		Third Party Payments	86		
		Depreciation & Impairment Losses	572		
		Support Services	102		
	Expenditure Total		980		
	Income	External Income	(27)		
	Income Total		(27)		
Sport & Physical Activity Total			953		

			2014/15
Team		Subjective	£000
Strategic Planning	Expenditure	Employees	214
		Premises	1
		Transport	19
		Supplies & Services	230
		Support Services	(150)
	Expenditure Total		314
Strategic Planning Total			314
Tourism	Expenditure	Employees	230
		Premises	1
		Transport	6
		Supplies & Services	114
		Depreciation & Impairment Losses	7
		Support Services	136
	Expenditure Total		494
Income	External Income	(124)	
Income Total		(124)	
Tourism Total			370
Waste & Environment	Expenditure	Employees	55
		Premises	70
		Transport	3
		Supplies & Services	147
		Third Party Payments	2,950
		Depreciation & Impairment Losses	412
	Support Services	108	
Expenditure Total		3,744	
Income	External Income	(449)	
Income Total		(449)	
Waste & Environment Total			3,295
Grand Total			16,335